



General Assembly

January Session, 2019

**Raised Bill No. 7125**

LCO No. 4074



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:  
(INS)

**AN ACT CONCERNING PARITY FOR MENTAL HEALTH AND  
SUBSTANCE USE DISORDER BENEFITS, NONQUANTITATIVE  
TREATMENT LIMITATIONS, DRUGS PRESCRIBED FOR THE  
TREATMENT OF SUBSTANCE USE DISORDERS, AND SUBSTANCE  
ABUSE SERVICES.**

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2019*) (a) For the purposes of  
2 this section:

3 (1) "Health carrier" has the same meaning as provided in section  
4 38a-1080 of the general statutes;

5 (2) "Mental health and substance use disorder benefits" means all  
6 benefits for the treatment of a mental health condition or a substance  
7 use disorder that (A) falls under one or more of the diagnostic  
8 categories listed in the chapter concerning mental disorders in the  
9 most recent edition of the World Health Organization's "International  
10 Classification of Diseases", or (B) is a mental disorder, as that term is  
11 defined in the most recent edition of the American Psychiatric  
12 Association's "Diagnostic and Statistical Manual of Mental Disorders";

13 and

14 (3) "Nonquantitative treatment limitation" means a limitation that  
15 cannot be expressed numerically but otherwise limits the scope or  
16 duration of a covered benefit.

17 (b) Not later than March 1, 2021, and annually thereafter, each  
18 health carrier shall submit a report to the Insurance Commissioner,  
19 Attorney General, Healthcare Advocate and executive director of the  
20 Office of Health Strategy, in a form and manner prescribed by the  
21 Insurance Commissioner, containing the following information for the  
22 calendar year immediately preceding:

23 (1) A description of the processes that such health carrier used to  
24 develop and select criteria to assess the medical necessity of (A) mental  
25 health and substance use disorder benefits, or (B) medical and surgical  
26 benefits;

27 (2) A description of all nonquantitative treatment limitations that  
28 such health carrier applied to (A) mental health and substance use  
29 disorder benefits, and (B) medical and surgical benefits; and

30 (3) The results of an analysis concerning the processes, strategies,  
31 evidentiary standards and other factors that such health carrier used in  
32 developing and applying the criteria described in subdivision (1) of  
33 this subsection and each nonquantitative treatment limitation  
34 described in subdivision (2) of this subsection. The results of such  
35 analysis shall, at a minimum:

36 (A) Disclose each factor that such health carrier considered,  
37 regardless of whether such health carrier rejected such factor, in (i)  
38 designing each nonquantitative treatment limitation described in  
39 subdivision (2) of this subsection, and (ii) determining whether to  
40 apply such nonquantitative treatment limitation;

41 (B) Disclose the evidentiary standards that such health carrier  
42 applied in considering the factors described in subparagraph (A) of

43 this subdivision; and

44 (C) Disclose information that, in the opinion of the Insurance  
45 Commissioner, is sufficient to demonstrate that such health carrier (i)  
46 equally applied each nonquantitative treatment limitation described in  
47 subdivision (2) of this subsection to (I) mental health and substance  
48 use disorder benefits, and (II) medical and surgical benefits, and (ii)  
49 complied with (I) sections 2 and 3 of this act, (II) sections 38a-488a and  
50 38a-514 of the general statutes, and (III) the Paul Wellstone and Pete  
51 Domenici Mental Health Parity and Addiction Equity Act of 2008, P.L.  
52 110-343, as amended from time to time, and regulations adopted  
53 thereunder.

54 (c) Not later than March 15, 2021, and annually thereafter, the  
55 Insurance Commissioner shall submit, in accordance with section 11-4a  
56 of the general statutes, to the joint standing committee of the General  
57 Assembly having cognizance of matters relating to insurance each  
58 report that the commissioner received pursuant to subsection (b) of  
59 this section for the calendar year immediately preceding.

60 (d) Not later than April 1, 2021, and annually thereafter, the joint  
61 standing committee of the General Assembly having cognizance of  
62 matters relating to insurance shall hold a public hearing concerning the  
63 reports that such committee received pursuant to subsection (c) of this  
64 section for the calendar year immediately preceding. The Insurance  
65 Commissioner, Attorney General, Healthcare Advocate and executive  
66 director of the Office of Health Strategy, or their designees, shall attend  
67 the public hearing and inform the committee whether, in their opinion,  
68 each health carrier, for the calendar year immediately preceding, (1)  
69 submitted a report pursuant to subsection (b) of this section that  
70 satisfies the requirements established in said subsection, and (2)  
71 complied with (A) sections 2 and 3 of this act, (B) sections 38a-488a and  
72 38a-514 of the general statutes, and (C) the Paul Wellstone and Pete  
73 Domenici Mental Health Parity and Addiction Equity Act of 2008, P.L.  
74 110-343, as amended from time to time, and regulations adopted  
75 thereunder.

76 (e) The Insurance Commissioner may adopt regulations, in  
77 accordance with chapter 54 of the general statutes, to implement the  
78 provisions of this section.

79 Sec. 2. (NEW) (*Effective January 1, 2020*) No individual health  
80 insurance policy providing coverage of the type specified in  
81 subdivisions (1), (2), (4), (11) and (12) of section 38a-469 of the general  
82 statutes delivered, issued for delivery, renewed, amended or  
83 continued in this state shall apply a nonquantitative treatment  
84 limitation to mental health and substance use disorder benefits unless  
85 such policy also applies the nonquantitative treatment limitation to  
86 medical and surgical benefits. For the purposes of this section,  
87 "nonquantitative treatment limitation" and "mental health and  
88 substance use disorder benefits" have the same meaning as provided in  
89 section 1 of this act.

90 Sec. 3. (NEW) (*Effective January 1, 2020*) No group health insurance  
91 policy providing coverage of the type specified in subdivisions (1), (2),  
92 (4), (11) and (12) of section 38a-469 of the general statutes delivered,  
93 issued for delivery, renewed, amended or continued in this state shall  
94 apply a nonquantitative treatment limitation to mental health and  
95 substance use disorder benefits unless such policy also applies the  
96 nonquantitative treatment limitation to medical and surgical benefits.  
97 For the purposes of this section, "nonquantitative treatment limitation"  
98 and "mental health and substance use disorder benefits" have the same  
99 meaning as provided in section 1 of this act.

100 Sec. 4. (NEW) (*Effective January 1, 2020*) (a) Each individual health  
101 insurance policy providing coverage of the type specified in  
102 subdivisions (1), (2), (4), (11), (12) and (16) of section 38a-469 of the  
103 general statutes delivered, issued for delivery, renewed, amended or  
104 continued in this state that provides coverage for prescription drugs  
105 shall provide coverage for each prescription drug that is prescribed to  
106 a person covered under such policy for the treatment of a substance  
107 use disorder, provided use of such drug for such treatment is in  
108 compliance with approved federal Food and Drug Administration

109 indications.

110 (b) If an individual health insurance policy described in subsection  
111 (a) of this section includes multiple cost-sharing tiers for prescription  
112 drugs, the policy shall place each prescription drug that such policy is  
113 required to cover pursuant to said subsection in such policy's lowest  
114 cost-sharing tier for prescription drugs.

115 (c) No individual health insurance policy described in subsection (a)  
116 of this section shall refuse to cover a prescription drug that such policy  
117 is required to cover pursuant to said subsection solely because such  
118 drug was prescribed pursuant to an order issued by a court of  
119 competent jurisdiction.

120 Sec. 5. (NEW) (*Effective January 1, 2020*) (a) Each group health  
121 insurance policy providing coverage of the type specified in  
122 subdivisions (1), (2), (4), (11), (12) and (16) of section 38a-469 of the  
123 general statutes delivered, issued for delivery, renewed, amended or  
124 continued in this state that provides coverage for prescription drugs  
125 shall provide coverage for each prescription drug that is prescribed to  
126 a person covered under such policy for the treatment of a substance  
127 use disorder, provided use of such drug for such treatment is in  
128 compliance with approved federal Food and Drug Administration  
129 indications.

130 (b) If a group health insurance policy described in subsection (a) of  
131 this section includes multiple cost-sharing tiers for prescription drugs,  
132 the policy shall place each prescription drug that such policy is  
133 required to cover pursuant to said subsection in such policy's lowest  
134 cost-sharing tier for prescription drugs.

135 (c) No group health insurance policy described in subsection (a) of  
136 this section shall refuse to cover a prescription drug that such policy is  
137 required to cover pursuant to said subsection solely because such drug  
138 was prescribed pursuant to an order issued by a court of competent  
139 jurisdiction.

140 Sec. 6. (NEW) (*Effective January 1, 2020*) No individual health  
141 insurance policy providing coverage of the type specified in  
142 subdivisions (1), (2), (4), (11) and (12) of section 38a-469 of the general  
143 statutes that is delivered, issued for delivery, renewed, amended or  
144 continued in this state shall refuse to provide coverage for covered  
145 substance abuse services solely because such substance abuse services  
146 were provided pursuant to an order issued by a court of competent  
147 jurisdiction.

148 Sec. 7. (NEW) (*Effective January 1, 2020*) No group health insurance  
149 policy providing coverage of the type specified in subdivisions (1), (2),  
150 (4), (11) and (12) of section 38a-469 of the general statutes that is  
151 delivered, issued for delivery, renewed, amended or continued in this  
152 state shall refuse to provide coverage for covered substance abuse  
153 services solely because such substance abuse services were provided  
154 pursuant to an order issued by a court of competent jurisdiction.

155 Sec. 8. Subsection (a) of section 38a-510 of the general statutes is  
156 repealed and the following is substituted in lieu thereof (*Effective*  
157 *January 1, 2020*):

158 (a) No insurance company, hospital service corporation, medical  
159 service corporation, health care center or other entity delivering,  
160 issuing for delivery, renewing, amending or continuing an individual  
161 health insurance policy or contract that provides coverage for  
162 prescription drugs may:

163 (1) Require any person covered under such policy or contract to  
164 obtain prescription drugs from a mail order pharmacy as a condition  
165 of obtaining benefits for such drugs; or

166 (2) Require, if such insurance company, hospital service corporation,  
167 medical service corporation, health care center or other entity uses step  
168 therapy for such drugs, the use of step therapy for (A) any prescribed  
169 drug for longer than sixty days, or (B) a prescribed drug for cancer  
170 treatment for an insured who has been diagnosed with stage IV  
171 metastatic cancer, or a prescribed drug for the treatment of a substance

172 use disorder, provided such prescribed drug is in compliance with  
173 approved federal Food and Drug Administration indications.

174 (3) At the expiration of the time period specified in subparagraph  
175 (A) of subdivision (2) of this subsection or for a prescribed drug  
176 described in subparagraph (B) of subdivision (2) of this subsection, an  
177 insured's treating health care provider may deem such step therapy  
178 drug regimen clinically ineffective for the insured, at which time the  
179 insurance company, hospital service corporation, medical service  
180 corporation, health care center or other entity shall authorize  
181 dispensation of and coverage for the drug prescribed by the insured's  
182 treating health care provider, provided such drug is a covered drug  
183 under such policy or contract. If such provider does not deem such  
184 step therapy drug regimen clinically ineffective or has not requested  
185 an override pursuant to subdivision (1) of subsection (b) of this section,  
186 such drug regimen may be continued. For purposes of this section,  
187 "step therapy" means a protocol or program that establishes the  
188 specific sequence in which prescription drugs for a specified medical  
189 condition are to be prescribed.

190 Sec. 9. Subsection (a) of section 38a-544 of the general statutes is  
191 repealed and the following is substituted in lieu thereof (*Effective*  
192 *January 1, 2020*):

193 (a) No insurance company, hospital service corporation, medical  
194 service corporation, health care center or other entity delivering,  
195 issuing for delivery, renewing, amending or continuing a group health  
196 insurance policy or contract that provides coverage for prescription  
197 drugs may:

198 (1) Require any person covered under such policy or contract to  
199 obtain prescription drugs from a mail order pharmacy as a condition  
200 of obtaining benefits for such drugs; or

201 (2) Require, if such insurance company, hospital service corporation,  
202 medical service corporation, health care center or other entity uses step  
203 therapy for such drugs, the use of step therapy for (A) any prescribed

204 drug for longer than sixty days, or (B) a prescribed drug for cancer  
205 treatment for an insured who has been diagnosed with stage IV  
206 metastatic cancer, or a prescribed drug for the treatment of a substance  
207 use disorder, provided such prescribed drug is in compliance with  
208 approved federal Food and Drug Administration indications.

209 (3) At the expiration of the time period specified in subparagraph  
210 (A) of subdivision (2) of this subsection or for a prescribed drug  
211 described in subparagraph (B) of subdivision (2) of this subsection, an  
212 insured's treating health care provider may deem such step therapy  
213 drug regimen clinically ineffective for the insured, at which time the  
214 insurance company, hospital service corporation, medical service  
215 corporation, health care center or other entity shall authorize  
216 dispensation of and coverage for the drug prescribed by the insured's  
217 treating health care provider, provided such drug is a covered drug  
218 under such policy or contract. If such provider does not deem such  
219 step therapy drug regimen clinically ineffective or has not requested  
220 an override pursuant to subdivision (1) of subsection (b) of this section,  
221 such drug regimen may be continued. For purposes of this section,  
222 "step therapy" means a protocol or program that establishes the  
223 specific sequence in which prescription drugs for a specified medical  
224 condition are to be prescribed.

225 Sec. 10. Section 38a-510b of the general statutes is repealed and the  
226 following is substituted in lieu thereof (*Effective January 1, 2020*):

227 No individual health insurance policy providing coverage of the  
228 type specified in subdivisions (1), (2), (4), (11), (12) and (16) of section  
229 38a-469 delivered, issued for delivery, renewed, amended or continued  
230 in this state that provides coverage for prescription drugs [and  
231 includes on its formulary naloxone] shall require prior authorization  
232 for the following drugs if such drugs are included on the policy's  
233 formulary:

234 (1) Naloxone hydrochloride or any other similarly acting and  
235 equally safe drug approved by the federal Food and Drug

236 Administration for the treatment of drug overdose; [shall require prior  
237 authorization for such drug] and

238 (2) Any drug approved by the federal Food and Drug  
239 Administration for the treatment of a substance use disorder.

240 Sec. 11. Section 38a-544b of the general statutes is repealed and the  
241 following is substituted in lieu thereof (*Effective January 1, 2020*):

242 No group health insurance policy providing coverage of the type  
243 specified in subdivisions (1), (2), (4), (11), (12) and (16) of section 38a-  
244 469 delivered, issued for delivery, renewed, amended or continued in  
245 this state that provides coverage for prescription drugs [and includes  
246 on its formulary naloxone] shall require prior authorization for the  
247 following drugs if such drugs are included on the policy's formulary:

248 (1) Naloxone hydrochloride or any other similarly acting and  
249 equally safe drug approved by the federal Food and Drug  
250 Administration for the treatment of drug overdose; [shall require prior  
251 authorization for such drug.] and

252 (2) Any drug approved by the federal Food and Drug  
253 Administration for the treatment of a substance use disorder.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2019</i>	New section
Sec. 2	<i>January 1, 2020</i>	New section
Sec. 3	<i>January 1, 2020</i>	New section
Sec. 4	<i>January 1, 2020</i>	New section
Sec. 5	<i>January 1, 2020</i>	New section
Sec. 6	<i>January 1, 2020</i>	New section
Sec. 7	<i>January 1, 2020</i>	New section
Sec. 8	<i>January 1, 2020</i>	38a-510(a)
Sec. 9	<i>January 1, 2020</i>	38a-544(a)
Sec. 10	<i>January 1, 2020</i>	38a-510b
Sec. 11	<i>January 1, 2020</i>	38a-544b

***Statement of Purpose:***

To (1) require each health carrier to submit an annual report concerning parity for mental health and substance use disorder benefits, (2) require the joint standing committee of the General Assembly having cognizance of matters relating to insurance to conduct an annual public hearing concerning such report, (3) require nonquantitative treatment limitations to be applied equally to mental health and substance use disorder benefits and medical and surgical benefits under certain health insurance policies, (4) require health insurance coverage for (A) prescription drugs prescribed for the treatment of substance use disorders if a policy includes coverage for prescription drugs, and (B) substance abuse services regardless of whether such services were provided pursuant to a court order, and (5) prohibit mandatory step therapy and prior authorization for prescription drugs prescribed for the treatment of substance use disorders.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*